I n t e g r i t y - S e r v i c e - E x c e l l e n c e

ESC President's Forum

Partnership Report

13 Dec 2001

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C2 Government & Industry Partnership Sub-Panel

Panel Definition:

A Partnership is a mutually beneficial relationship between Industry & Government partners to pool resources and competencies to enhance war fighter capability more effectively than can be achieved by either party alone.

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- Spirit of cooperation & mutual trust

- Partners commit to defined commitments, roles & responsibilities

- Shared investment, risk & rewards

- Positive business case for both parties

- Top leadership support for the partnership

- Sense of urgency/crisis can facilitate partnerships

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- Stock Market down
  - Tech Market down
- Less revenue
- Results in less available funds to pursue opportunities
- Homeland Defense possible high market opportunity
- Laying off people
- Short-term focused
  - Cash flow and recovery costs important
- Cost conscious, more risk adverse, results in prioritization of opportunities
- DOD a favored customer at this time...

- Program
  - Customer
  - Funding level
  - Expected value to us
  - Cost to pursue
- Did we budget for it this year?
  - Priority in customer community
- How well do we know the customer?
- Tie to other opportunities?
- What do we give up to go after this one?

Decision Factors - cont'd

- Prime or sub?
- Teammates?
- Competitors?
- Schedule
- Do we have the resources?
- Can we win?
- Does it matter if we bid?
- Go-No Go Decision

Bottom line: Industry's money is just as hard to prioritze as the Government?

- Boeing Integration Center or Lockheed-Martin Rainbow
  - But learn lessons of SPAWAR-Charleston
- Raise that to cross-company model
- Map the processes and benefits
- Benefits to Industry
  - Reduced costs
  - Proposal efficiency
  - Customer confidence

How Can Industry Help?

- ESC go to companies (maybe again) to see how industry does mission application EI
  - First ensure the Purina's of the IT world are eating their own dog food
- Gain Congressional support
- Keep coming back until it works
- Accelerate time-to-market if $$ and vehicles are there
- Support C2 Summit in April 2002

Partnership Recommendations

- Quarterly Tech Interchange on Architectures and Standards
- Follow-up on Blue Two: openly capture the lessons <u>and</u> develop the business cases (Gov't's and Industry's) for going forward
- Use the Partnership concept to judge/evalute each "partnership"
  - Don't ask for something without mutual benefit
  - Assist with development of business case templates to show value on each side

- More emphasis on value-based contracts
- Differentiate types of "partnerships"
  - Contracts and non-contract
  - Without a contract, what does the partnership mean to ESC & USAF?
- Follow-up on recommendations of this meeting, assign a POC who will do it!
- Use Customer Satisfaction more often as metric for contracts/partnerships -- both ways
- Follow-up on inputs from Industry -- at least, status -- at best, implement

- AF ⟶ Enterprise
- *Not "Over the Wall"*
- *Business Cases*
  - *Follow the Money*
- *Where is the value on the Industry side*
- *Shared Rewards*
- *Upfront - Define the Value Chain with industry*
- *Shared Vision*
- *Perhaps use Venture Capital example when the business case is not obvious*

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- *Business has 2 sides - Strategic and tactical - Strategic should lead to tactical*
- *AOC Blue Two - Next Step*
  - *On-site integration*
- *Opportunities - Col Butler (go to other slide)*
- *Trust Factor - Confidence that AF will execute*
- *Takes more than O&M pickup game*
- *Offer higher return on Investment*
  - *DoD market upturn*
- *Industry research efforts can be better focused*

- **Concrete examples**
  - **Short term task via BPA for quick independent review of C2E Architectures**
  - **Industry join in ESC's Architecture Councils (CX & AC)**
    - **Industry needs clear view for ROI**

- **Col Butler**
  - **Involve industry in architecture**
  - **Business side**
    - **Understanding**
    - **Must be matched by business outcome**
- **Brief all aspects of vision (w/ $$) to industry**
- **Set up C2 Systems/Engrg/Arch Council to make recommendations**

Partnership Recommendations

- **Message to Industry: you need to be prepared to offer short term solution sets, and can only do that if you understand the environment**
- **Take SecAF priorities as the business case**
- **Take AOC Blue Two type approach in AC to user environment**
  - **use principles as outlined earlier**
  - **Set conditions for industry access**
- **Explore the value of "Idea" BPAs to find answers to questions**
  - **Vehicle instantly available to engage industry**
- **707 testbed opportunities, especially as funding materializes**
  - **Use venture capital investment model**

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- Thanks for the Opportunity to help

- AOC Blue Two – quickly enhance technology into CAOC
- C2 Acquisition Portal – improve acquisition business processes
- CCPL – Collaborative RFP generation
- Performance Based Contracts – government buys services & contractor is paid on service delivery performance
  - Arnold Engineering & Development Center (AEDC)
  - NASA Goddard & Marshall Space Flight Centers
  - Navy Marine Corps Intranet (NMCI)
- Small Business Technology Transfer Program (STTR)-small business partnership with nonprofit research institutions
- US Army& Industry work sharing with Depots – industry uses depot facilities & personnel for depot work & manufacture
- AWACS, Cobra Judy, Peace Shield Recompete – Government & Industry Team for Program Definition phase preceeded successful development

Partughip Environment

- Successful partnership examples not sustained over time

- Acquisition community holding to more traditional methods

- Increased interest & activity in partnerships
  - Examples throughout DoD and Federal Government
  - Constructs/approaches applied as required on case-by-case basis
  - Characteristics are universal

- Some constructs have been used locally in C2 environment and need another look

- Panel does not see any significant changes needed to Regs, laws, etc. to implement